

DRAFT

16 October 1958

MEMORANDUM FOR THE RECORD

SUBJECT: Minutes of Meeting of IAC Working Group on Foreign, Positive,
Strategic Intelligence on 16 October 1958

1. The third meeting of the IAC Working Group was held on 16 October 1958 at 10:00 a.m. in the East Building Conference Room. Those present were:

Mr. E. R. Saunders, Chairman
Mr. Joseph T. Bartos, State
Mr. Earl Churchill, State
Lt. Col. Ray C. Lewis, Army
Lt. Commander William Novak, Navy
Mr. W. A. Morton, Navy
Mr. Edmund J. Gerhard, Navy
Mr. Don Heddings, Navy
Miss Mabel M. Stockert, Navy
Lt. Col. Edmond L. Loeliger, Air Force
Mr. Leonard Baldinger, Air Force
Lt. Col. Carl C. Machemer, Air Force
Mr. William A. Smith, Office of Secretary of Defense
Col. George Perry, Joint Staff

Chief, Budget Division, CIA
DDC, CIA

Document No. _____
Review of this document by CIA has
determined that
☒ CIA has no objection to declass
it contains information of CIA
interest that must remain
classified at
Authority: TS S C
HR 70-2
☐ It contains nothing of CIA interest
Date _____ Reviewer _____

25X1A

Mr. Saunders expressed Dr. Reichardt's regrets for not being able to attend the meeting due to a rush job and stated that Atomic Energy Commission would abide with whatever the committee comes up with. The representatives from the National Security Agency were not present due to their budget hearings. The member from the Federal Bureau of Investigation was not present.

2. Mr. Saunders stated that the purpose of this meeting was to report on what progress we have made during the past month. At the last meeting, it was agreed to submit recommendations on the title change, on any format changes and on the content and that the report would be on an obligation basis and on a past fiscal year basis.

25X1

DOC	9	REV DATE	1 APR 1991	BY	
ORIG COMP		OPI	38	TYPE	01
ORIG CLASS	5	PAGES	3	REV CLASS	C
AUTH: HR 70-2					

3. Mr. Smith passed out copies of a paper which the Department of Defense representatives had worked on in the past month. This report, entitled, "Report of the Subcommittee on Foreign Strategic Intelligence Costs", is a combined report from Army, Navy and the Air Force. [] brought out the fact that the word "cost" should not be included in the title as this will be confusing when the report will be done on an obligation basis. [] added that as long as this report has a statement of the guidelines and good title with agreed-descriptions, we cannot be charged with misrepresentation. The request that came from the House Appropriations Committee to the Director asked for information on intelligence costs. The Department of Defense report was discussed at considerable length.

25X1A

25X1A

4. Mr. Saunders stated that at the present time we do not know if the IAC or the Bureau of the Budget will prepare this report in the future; in the past, the Bureau of the Budget has prepared this report.

25X1A

5. [] stated that because of the new status of the Intelligence Board and the new provisions of the directives, this responsibility is laid on by the President. The Board looks at the USIB as the group responsible for the foreign intelligence efforts and the Director is the coordinator. They would expect that Board to be the one to tell them what this effort costs.

25X1A

[] asked the Director for the costs. Security requirements may preclude this total report going to Capitol Hill; they may have to get it in summary form.

6. The question of who would be using this report was brought up again. Mr. Saunders reiterated that this report is for the Bureau of the Budget, the President's Board and the House Appropriations Committee. [] read an

25X1A

excerpt from the Hearings of the House Appropriations Committee in May 1958

25X1A in which they requested the intelligence costs from the DCI. [] stated that the DCI, as Chairman of the IAC, has to be prepared to give some figures on the cost of intelligence.

7. Mr. Saunders asked the members present to consider for the title, "Report of Estimated Obligations Incurred for Foreign Strategic Intelligence Activities for FY ____." Mr. Saunders asked if we wouldn't have to also include political, economic, scientific and geographic in order to satisfy State Department and CIA.

25X1A 8. The subject of not submitting another report until Fiscal Year 1959 was discussed at length. [] feels that the Director would not want to wait until October 1959 because of the hearings before the Appropriations Committee. Mr. Saunders added that we are almost obligated to do it again for Fiscal Year 1958. Mr. Saunders then read the letter from the Bureau of the Budget setting forth this requirement. This letter, dated 6 January 1958, was sent to each agency.

25X1A 9. Mr. Saunders stated that a Sub-Committee would be appointed consisting of representatives of Defense Department, State Department and CIA and that these representatives should get together during the next month to work out the details. It was announced that [] will be the representative from CIA. Mr. Smith and Mr. Bartos stated that they would call and advise of the names of the representatives from Defense and State, respectively.

25X1A 10. The next meeting of the working group was set for 13 November 1958 at 10:00 a.m. in the East Building Conference Room to receive and consider the sub-committee's report. Since Mr. Saunders will be out of town on an official trip, it was announced that [] would be Acting Chairman of the next meeting.